

Message Text

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ACTION ARA-10

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FM AMEMBASSY BUENOS AIRES
TO USDOC WASHDC
SECSTATE WASHDC 9057

UNCLAS SECTION 1 OF 2 BUENOS AIRES 1152

E.O. 11652: N/A
TAGS: BEXP, AR
SUBJECT: FY-78 COUNTRY COMMERCIAL PROGRAM (CCP),
SECTION III.

REF: A) STATE A 5960, B) BUENOS AIRES 2568 (20 APR 76)

1. CAMPAIGN 1; PRIORITY 1; ENGINEERING SERVICES
AND EQUIPMENT FOR THE PEROEHEMICAL INDUSTRY; EUGENIO
PALLARES JORDA. OBJECTIVE AND RATIONALE: THE GOA
HAS IDENTIFIED OVER 25 PROJECTS IN WHICH IT INTENDS
TO INVEST OR PROMOTE INVESTMENT BY PRIVATE FIRMS.
THIS INVESTMENT TOTALS OVER US\$3.5 MILLION. SHORT-
TERM PROJECTS TOTALLING APPROXIMATELY US\$500 MILLION
ARE PRESENTLY IN THE PRE-BID STATE OR AWAITING AWARD.
EQUIPMENT FOR THESE PLANTS WILL ALMOST CERTAINLY
COME FROM THE COUNTRIES WHICH SUPPLY THE TECHNOLOGICAL
AND MANAGERIAL KNOW-HOW. ACCORDINGLY THIS CAMPAIGN
IS AIMED AT ASSISTING US SUPPLIERS OF ENGINEERING
SERVICES TO OBTAIN CONTRACTS FOR MANY OF THESE
PLANTS AS POSSIBLE. PERHAPS, THE MOST IMPORTANT ACTION
WHICH CAN BE TAKEN TO THIS END IS TO PUT LOCAL DECISION
MAKERS IN CONTACT WITH US INDUSTRY. THIS IS THE
EMPHASIS OF THIS CAMPAIGN. WE PLAN TO SEND A
FOREIGN BUYER'S GROUP TO THE US TO SEE THE EXPOSITION OF
CHEMICAL INDUSTRIES; AND GIVE LOCAL REPRESENTATIVES OF
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US FIRMS THE OPPORTUNITY TO INTERACT WITH LOCAL
DECISION MAKERS AT A FILM SHOWING CUM SEMINAR.

2. CAMPAIGN ACTIONS: A) CONTINUE TO MAINTAIN CONTACTS
WITH DECISION MAKERS IN PETROCHEMICAL SECTOR AND WITH
REPRESENTATIVES OF US FIRMS. MAKE PLANT VISITS AS
PART OF THIS PROGRAM AS WELL. DEC 6; MAR-12; JUNE -18;

SEP-24. B) DRAWING UPON USIS/USIA MEDIA SERVICES, PLACE ARTICLES ON US PETROCHEMICAL INDUSTRY IN TRADE PUBLICATIONS AND COMMERCIAL NEWSLETTER; DEC; JUNE. C) ORGANIZE THE VISIT OF A FOREIGN BUYER'S GROUP TO THE 36TH EXPOSITION OF CHEMICAL INDUSTRIES IN CHICAGO IN 1977, USING LOCAL TOUR WHOLESALER; DEC. D) USING USIS PROCURED FILM PACKAGE AND IN COOPERATION WITH LOCAL REPRESENTATIVES OF US PETROCHEMICAL FIRMS, PRESENT TECHNICAL SALES SEMINAR TO GOA DECISION MAKERS; SEP. E) UPDATE MARKET SURVEY; JUNE.

3. CAMPAIGN 2; PRIORITY 2; ENGINEERING, CONSTRUCTION SERVICES AND EQUIPMENT FOR POWER GENERATION; PETER E. JONES. OBJECTIVE AND RATIONALE: WITH ARGENTINA'S DEMAND FOR ELECTRIC POWER GROWING AT 13 PERCENT PER ANNUM IN RECENT YEARS, PRESSING AGAINST CAPACITY, THE GOA HAS UNDERTAKEN AN AMBITIOUS INVESTMENT PROGRAM BASED LARGELY ON UTILIZATION OF THE UNTAPPED HYDRO-ELECTRIC POTENTIAL OF ITS RIVERS. THIS INVESTMENT PROGRAM, ESTIMATED AT 10 BILLION, HAS AN IMPORT CONTENT OF APPROXIMATELY 3 BILLION, AND WILL CONTINUE TO REPRESENT AN IMPORTANT SERIES OF EXPORT OPPORTUNITIES FOR U.S. SUPPLIERS OF GOODS AND SERVICES FOR QUITE A NUMBER OF YEARS. THIS CAMPAIGN IS INTENDED TO KEEP US INDUSTRY UP TO DATE ON DEVELOPMENTS IN THE ARGENTINE POWER SECTOR IN ORDER TO ASSIST THEM IN MAXIMIZING THEIR PARTICIPATION IN THESE PROJECTS. ACCORDINGLY, THE MOST IMPORTANT CAMPAIGN ACTIVITIES REQUIRED TO THIS AND ARE REGULAR CONTACTS WITH DECISION MAKERS AND UNCLASSIFIED

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LOCAL REPRESENTATIVES OF US FIRMS AND REGULAR REPORTS TO WASHINGTON AGENCIES TO ENABLE THEM TO KEEP US SUPPLIERS BRIEFED.

4. CAMPAIGN ACTIONS: A) CONTINUE ROUNDS OF CALLS ON LOCAL DECISION MAKERS IN PRINCIPAL POWER COMPANIED, BINATIONAL COMMISSIONS AND SECRETARIAT OF ENERGY. DEC-9; MAR-18; JUNE-27; SEPT-36. B) MAINTAIN CLOSE AND FREQUENT CONTACT WITH LOCALLY BASED REPRESENTATIVES OF US FIRMS. DEC-6; MAR-12; JUNE 18; SEPT24. C) RECOMMEND TO EMBASSY LEADER GRANT COMMITTEE A SUITABLE CANDIDATE TO TRAVEL TO THE US FOR CONSULTATION/ ORIENTATION WITH US ENERGY DEPARTMENT, US CORPS OF ENGINEERS AND US SUPPLIERS; MAR. D) RECRUIT LOCAL REPRESENTATIVES OF US FIRMS TO OFFER EMBASSY SPONSORED TECHNICAL SALES SEMINAR; JUN. E) DRAWING UPON USIS/USIA MEDIA SERVICES PLACE ARTICLES ON US POWER TECHNOLOGY IN TRADE PUBLICATIONS AND COMMERCIAL NEWSLETTER; MAR; SEPT.

5. CAMPAIGN 3; PRIORITY 3; ENGINEERING SERVICES AND EQUIPMENT FOR THE PETROLEUM AND NATURAL GAS EXPLORATION AND EXTRACTION INDUSTRIES; ALVARO MENDEZ. OBJECTIVE AND RATIONALE: ALTHOUGH ARGENTINA ONLY IMPORTS APPROXIMATELY 15 PERCENT OF ITS OIL NEEDS, CRUDE AND BY-PRODUCTS IMPORTS ACCOUNTED FOR A SIZEABLE SHARE OF TOTAL IMPORTS (500 MILLION IN 1974, OR 15 PERCENT OF TOTAL IMPORTS). THOUGH GAS FIELDS ARE ABUNDANT IN SOUTHERN PATAGONIA, LACK OF TRANSPORT FACILITIES MAKE IT ALSO NECESSARY TO IMPORT SIGNIFICANT VOLUMES OF NATURAL GAS. THE GOA HAS ANNOUNCED AMBITIOUS PLANS TO INTENSIFY IN-LAND AS WELL AS OFF-SHORE EXPLORATION AND EXTRACTION, CREATING CONSIDERABLE OPPORTUNITIES FOR U.S. SUPPLIERS. OUR OBJECTIVE IN THIS CAMPAIGN IS TO ASSIST US SUPPLIERS IN CAPTURING A SIGNIFICANT SHARE OF EXPORT OPPORTUNITIES IN THIS

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SECTOR IN WHICH US FIRMS ARE SO PARTICULARLY COMPETITIVE. BECAUSE OF THE HEAVY EMPHASIS PLACED ON JOINT VENTURES IN THIS SECTOR BY THE GOA AUTHORITIES, IT IS IMPORTANT THAT US COMPANIES BE PUT IN TOUCH WITH LOCAL INDUSTRY. ACCORDINGLY MOST IMPORTANT ACTION OF THIS CAMPAIGN IS DESIGNED TO ASSIST US FIRMS IN IDENTIFYING SUITABLE LOCAL AGENTS.

6. CAMPAIGN ACTIONS: A) MAINTAIN CONTACTS IN STATE OIL AND GAS COMPANIES, YPF AND GAS DEL ESTADO, AND SECRETARIAT OF ENERGY BY PERIODIC CALLS ON DECISION MAKERS; DEC-6; MAR12; JUN-18; SEPT-24.

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TO USDOC WASHDC
SECSTATE WASHDC 9058

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B) HOLD REPRESENTATORIAL FUNCTION AT AMBASSADORIAL LEVEL FOR LOCAL REPRESENTATIVES OF US FIRMS IN PETROLEUM INDUSTRY AND LOCAL DECISION MAKERS; MAR. C) WITH USIS ASSISTANCE PROMOTE VISIT TO ARGENTINA BY QUALIFIED US EXPERTS IN PETROLEUM AND NATURAL GAS FIELDS UNDER "AMSPEC" PROGRAM; JUN. D) RECOMMEND TO EMBASSY LEADER GRANT COMMITTEE A SUITABLE CANDIDATE TO TRAVEL TO THE US FOR CONSULTATION/ORIENTATION WITH US ENERGY OFFICIALS AND US INDUSTRY; MAR. E) IDENTIFY AND REPORT THROUGH TOP PROGRAM SUITABLE LOCAL AGENTS FOR US SUPPLIERS OF PETROLEUM AND NATURAL GAS EQUIPMENT; DEC-6; MAR-12; JUN-18; SEPT-24. F) DRAWING ON USIS/USIA MEDIA SERVICES PLACE ARTICLES ON US TECHNOLOGY IN TRADE PUBLICATIONS AND COMMERCIAL NEWSLETTER; MAR-SEPT.

7. CAMPAIGN 4; PRIORITY 4; EQUIPMENT FOR THE MINING AND HEAVY CONSTRUCTION, INDUSTRIES; PETER V. LONDONO. OBJECTIVE AND RATIONALE: THE GOA'S NEW ECONOMIC PLAN ASSIGNS PRIORITY TREATMENT TO MINING. ONE PROJECT CURRENTLY UNDERWAY FOR URANIUM MINING QUALIFIES AS A MAJOR PROJECT WITH OVER US\$16 MILLION IN MINING EQUIPMENT TO BE PURCHASED. ANOTHER PROJECT, CURRENTLY BEING CONSIDERED BY A U.S. COMPANY, CONTEMPLATES INVESTING US\$750 MILLION IN A COPPER MINE. THE NEW GOVERNMENT IS ALSO PLACING GREAT EMPHASIS ON THE DEVELOPMENT OF A LARGE SCALE PUBLIC INVESTMENT PROGRAM
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TO PULL THE COUNTRY OUT OF ITS CURRENT RECESSION. THE IMPLEMENTATION OF SUCH A PROGRAM WILL REQUIRE THE RENEWAL AND EXPANSION OF THE COUNTRY'S HEAVY CONSTRUCTION AND EARTH MOVING EQUIPMENT STOCK OVER THE NEXT YEAR AND A HALF. IN ROADBUILDING ALONE ARGENTINA HAS REQUESTED AND IS LIKELY TO GET A US\$137 MILLION LOAN FROM THE WORLD BANK FOR EXPANDING RURAL ROAD NETWORKS. THE DEVELOPMENT OF ARGENTINA'S CONSIDERABLE HYDROELECTRIC POTENTIAL WILL CREATE FURTHER DEMAND FOR THIS TYPE OF EQUIPMENT (SEE CAMPAIGN #2). THE BEST MARKETING TOOL FOR THIS CAMPAIGN IS A TRADE MISSION AND ACCORDINGLY ONE IS RECOMMENDED UNDER CAMPAIGN ACTIONS.

8. CAMPAIGN ACTIONS: A) IN CONJUNCTION WITH USDOC, ORGANIZE AND CARRY OUT A TRADE MISSION VISIT TO ARGENTINA BY US SUPPLIERS OF MINING AND HEAVY CONSTRUCTION EQUIPMENT; DEC. B) MAKE FIRM AND SITE VISITS TO DEVELOP TRADE

OPPORTUNITIES; DEC-3; MAR-6; JUNE-9; SEPT-12. C) ORGANIZE VISIT OF A FOREIGN BUYERS GROUP TO THE 1978 INTERNATIONAL MINING SHOW IN LAS VEGAS IN OCTOBER 1978 USING SERVICES OF LOCAL TOUR WHOLESALER; JUNE; SEPT. D) USING USIS PRODUCED VTR ON MINING EQUIPMENT CONDUCT VTR SHOWING FOR INDUSTRY LEADERS AND GOA MINING OFFICIALS; MAR.

9. CAMPAIGN 5; PRIORITY 5; COMMUNICATIONS EQUIPMENT; PETER V. LONDONO. OBJECTIVE AND RATIONALE: ARGENTINA IS SEVERAL DECADES BEHIND THE MAJORITY OF THE REST OF THE WORLD IN THE DEVELOPMENT OF ITS COMMUNICATIONS. THE NEW MILITARY GOVERNMENT WHICH TOOK OVER IN MARCH OF 1976 HAS EMBARKED ON A MODERNIZATION PROJECT WHICH INCLUDES THE INSTALLATION OF 2 MILLION NEW TELEPHONE LINES AND THE NECESSARY TELEPHONE EXCHANGES OVER THE NEXT TEN YEARS, A MODERNIZATION AND EXPANSION OF THE TELEX SYSTEM, THE INSTALLATION OF A COMMUNICATIONS SYSTEM FOR THE 1978 WORLD SOCCER CUP GAMES, AND OTHER IMPROVEMENTS IN THE SYSTEM. ADDITIONALLY THE ARGENTINE AIR FORCE IS UNCLASSIFIED

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SERIOUSLY CONSIDERING THE POSSIBILITY OF PURCHASING A LANDSAT STATION. MILITARY RELATED COMMUNICATIONS EQUIPMENT PURCHASES IN GENERAL ARE EXPECTED TO GROW IN VIEW OF THE FACT THAT THE MILITARY NOW CONTROL THE PURSE STRINGS. THE MARKET FOR US SALES OF COMMUNICATIONS EQUIPMENT IN ARGENTINA SHOULD THEREFORE EXPAND QUICKLY OVER THE NEXT FEW YEARS. THIS CAMPAIGN, THEN IS DESIGNED TO ASSIST US FIRMS TO IDENTIFY AND CAPTURE TRADE OPPORTUNITIES IN THE COMMUNICATIONS FIELD IN ARGENTINA. BECAUSE THIS FIELD HAS BEEN TRADITIONALLY DOMINATED BY EUROPEAN - PARTICULARLY GERMAN - FIRMS, AND NEITHER THE EMBASSY NOR US INDUSTRY ARE AS FAMILIAR AS THEY SHOULD BE WITH THIS INDUSTRY SECTOR, PRIORITY IN THE CAMPAIGN HAS BEEN GIVEN TO COMPLETING A MARKET SURVEY DURING THE FIRST MONTH OF THE FY, AND TO GETTING DECISION MAKERS TO US TO VIEW US TECHNOLOGY FIRST HAND.

10. CAMPAIGN ACTIONS: A) CONDUCT MARKET SURVEY OF COMMUNICATIONS SECTOR; DEC; B) ENCOURAGE LOCAL REPRESENTATIVES OF US FIRMS TO INVITE LOCAL DECISION MAKERS TO VISIT THEIR PLANTS AND FACILITIES IN THE US; DEC; MAR; JUN; SEPT. C) IN CONJUNCTION WITH USDOC ORGANIZE AND CARRY OUT A TRADE MISSION VISIT TO ARGENTINA BY US SUPPLIERS OF COMMUNICATIONS EQUIPMENT. D) DRAWING ON USIA/USIA MEDIA SERVICES PLACE ARTICLES ON US TECHNOLOGY IN TRADE PUBLICATIONS AND COMMERCIAL NEWSLETTER; DEC; MAR; JUN; SEPT. E) ORGANIZE VISIT OF A FOREIGN BUYER GROUP TO

INTELCOM 77 IN ATLANTA IN OCTOBER 77 USING SERVICES
OF LOCAL TOUR WHOLESALER; MAR. F) USING USIS
PRODUCED FILM PACKAGE AND IN COOPERATION WITH LOCAL
REPRESENTATIVES OF US COMMUNICATIONS FIRMS PRESENT A
TECHNICAL SALES SEMINAR TO GOA DECISION MAKERS.
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Message Attributes

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Secure: OPEN
Status: NATIVE
Subject: FY-78 COUNTRY COMMERCIAL PROGRAM (CCP), SECTION III.
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To: COM STATE
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